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# Liberal Democrats fear Obama may give away too much on budget

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By [Rachelle Younglai](#) and [Mark Felsenthal](#)

WASHINGTON (Reuters) - As President Barack Obama tries to improve relations with Congress, it is not only Republicans who are wary of him but also some Democrats, who on Tuesday warned the president not to compromise their liberal principles in return for a budget deal.

At a lunch with Senate Democrats, Obama said it was critically important to work with Republicans in order to reach a "grand bargain" to reduce the country's budget deficit, according to lawmakers.

"Of course some of us responded by saying 'Yes. But what is in that grand bargain?' We don't want to start whacking away at Social Security," Iowa Senator Tom Harkin told reporters after the lunch.

The liberal Democrats are worried Obama wants to use a less generous inflation index to calculate increases in Social Security retirement benefits. The lower index, known as the chained consumer price index, takes into account changes in consumer buying habits and could trim spending, and thus retirees' benefits, by \$130 billion over 10 years.

Senator Bernie Sanders, an independent from Vermont who caucuses with the Democrats, called the lower inflation index a "stupid" idea.

"I think the much better approach is how to bring more revenue into the system," Sanders told Reuters after the lunch. "There are ways to address these problems without cutting benefits. That is the case I made to the president," he said.

When asked how Obama responded to their concerns, Harkin said the president said things were open for negotiation.

Obama's visit to Capitol Hill came as Republican and Democratic lawmakers introduced competing plans to deal with long-term budget deficits. Republicans proposed balancing the budget in 10 years with \$4.6 trillion in spending cuts. Democrats proposed trimming deficits by \$1.85 trillion over 10 years in part through tax increases on the wealthy.

## TOUGH CHOICES

The White House acknowledged Democrats' concerns over federal benefits programs and said on Tuesday Obama has made proposals that include items that are very tough choices for his fellow Democrats to go along with.

Obama's discussion with Senate Democrats was the first in a series of meetings the president has scheduled with lawmakers this week. Obama will meet with Republicans in the House of Representatives on Wednesday and then with Senate Republicans and House Democrats later in the week.

After a combative campaign to prevent deep spending cuts that went into effect March 1, Obama has shifted gears and adopted a less confrontational approach to achieve a deficit reduction package he says must include both spending cuts, reductions to entitlement programs such as Social Security, and greater revenues.

White House aides said the change in tone reflects a desire by the president to move away from crisis-driven bare-knuckles negotiations to a more collegial process that aims at building consensus around a deal over time.

They said Obama switched tactics to try to engage individual lawmakers rather than the Republican leadership, because Republican House Speaker John Boehner had said he would simply not discuss raising revenues.

Obama's aides believe the best move right now is to deal with rank-and-file members. If a consensus can be reached, it might give Boehner and Senate Minority Leader Mitch McConnell some political cover from their right wing.

Last week, Obama dined with rank and file Republicans. After that, Senate Democrats were also looking for some "love" from the president, said one Senate Democratic aide.

But although lawmakers from both parties have said Obama's efforts will help improve relations with Congress, Sanders said it was not just about the interactions.



"It is what you are proposing," he said.

(Reporting by Rachelle Younglai and Mark Felsenthal; Editing by Alistair Bell and Todd Eastham)

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